



Health Services
LOS ANGELES COUNTY

**Los Angeles County
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*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles County
residents through direct services at
DHS facilities and through
collaboration with community and
university partners.*



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May 24, 2011

TO: Supervisor Michael D. Antonovich, Mayor
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Zev Yaroslavsky

FROM: Mitchell H. Katz, M.D.
Director 

**SUBJECT: NOTICE OF INTENT TO REQUEST DELEGATED
AUTHORITY TO APPROVE A PERCENTAGE INCREASE
EXCEEDING 10 PERCENT OF THE TOTAL CONTRACT
AMOUNT**

This is to advise your Board that the Department of Health Services (DHS) is scheduling a Board letter for the June 7, 2011 agenda that requests approval to extend four equipment maintenance and repair services agreements and increase existing delegated authority for contract sum increases from 10 percent to 40 percent of each agreement's amount.

In accordance with Board of Supervisors' Policy 5.120, prior Board notice is required for any department requesting delegated authority to increase Board-approved contracts by over 10 percent.

BACKGROUND

All four agreements provide ongoing critical equipment maintenance and repair services for medical facility operations. All requests for use of delegated authority will be funded by using existing resources. DHS facilities will only request that equipment be added if additional services are needed and funding is verified in the facility's budget.

Aloka Company, Ltd.

The agreement with Aloka Company, Ltd. provides preventive maintenance and repair services of ultrasound machines that are currently used for the diagnosis of gynecologic and obstetrics issues, labor and delivery, and prostate biopsies at DHS facilities. The annual maximum obligation is \$72,273 and a 40 percent increase is \$28,909.

International Line Builders, Inc.

The agreement with International Line Builders, Inc. provides preventive maintenance and emergency repair services of high-voltage electrical system power lines above and below ground at four DHS hospitals. Reliable, high-quality maintenance and repair services of the medical centers' electrical systems are of utmost importance to facility operations and critical to patient care. The annual maximum obligation is \$550,000 and a 40 percent increase is \$220,000.

National Radiologic Physics

The agreement with National Radiologic Physics provides radiology equipment evaluation and radiation detection services by certified physicists. The radiology departments of DHS' facilities must maintain an accurate list of radiology equipment currently being used and a record of their inspections, as mandated by the State Department of Public Health and The Joint Commission. Only certified medical physicists can conduct physics evaluation inspections, radiographic tube evaluation, and radiation safety analysis of the radiology equipment. The physicists are certified for a specific area, such as diagnostic radiology, radiologic physics, and radiation oncology, by the American Board of Radiology. The annual maximum obligation is \$68,450 and a 40 percent increase is \$27,380.

Hill-Rom Company, Inc.

The Agreement with Hill-Rom Company, Inc. provides maintenance and repair services of Hill-Rom hospital beds, including state-of-the-art beds with proprietary software. The newer hospital bed models provide high performance and intelligent bed systems that have the latest wound care surface and help avoid patient falls, therefore improving the quality of patient care. The annual maximum obligation is \$360,261 and a 40 percent increase is \$144,104.

JUSTIFICATION

Approval of the increase of the delegated authority from 10 percent to 40 percent will allow DHS to increase the maximum obligation of each agreement if necessary to cover equipment coming off warranty, and emergency or unanticipated equipment repair services. The Joint Commission requires DHS facilities to cover medical equipment maintenance under a service contract. This requested delegated authority is necessary to enable the agreements to be amended timely to guarantee that the critical equipment is maintained appropriately to ensure the safety of patients, as well as to meet the requirements of The Joint Commission. Board policy generally allows delegated authority up to 10 percent of the total contract amount. However, based on recent experience with several other equipment maintenance service agreements, DHS believes that the 40 percent requested for potential increases is appropriate since adding even a few pieces of

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equipment to an agreement may use up the entire 40 percent increase. If DHS is not able to add equipment to existing agreements, the alternative is to request a Purchase Order (PO) from the Internal Services Department. The lead time to obtain a PO is much longer than execution of an amendment to an existing DHS agreement.

NOTIFICATION TIMELINE

Consistent with the procedures of Board Policy 5.120, we are informing your Board of our intention to proceed with the filing of the Board letter with Executive Office of the Board for the June 7, 2011 Board Meeting.

If you have any questions or need additional information, please let me know, or your staff may contact Kathy Hanks, at (213) 240-7819 or khanks@dhs.lacounty.gov.

MHK:kh

c: Sheila Shima, Deputy Chief Executive Officer